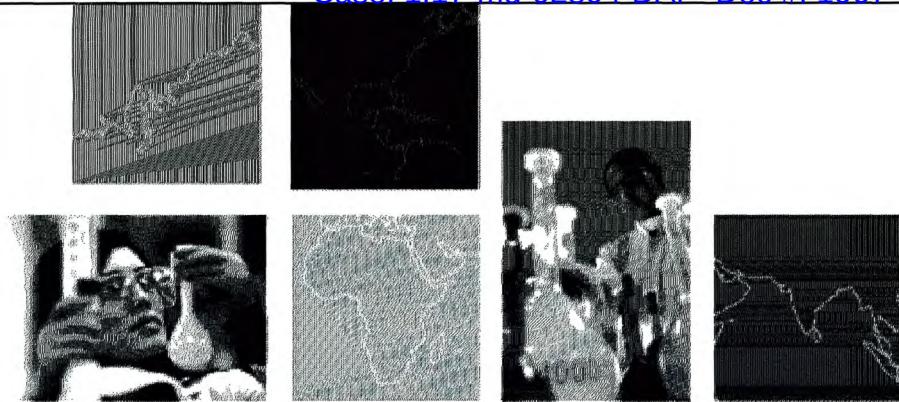


EXHIBIT 509



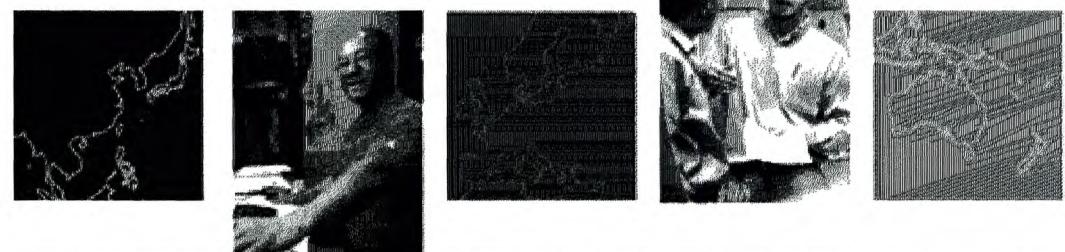
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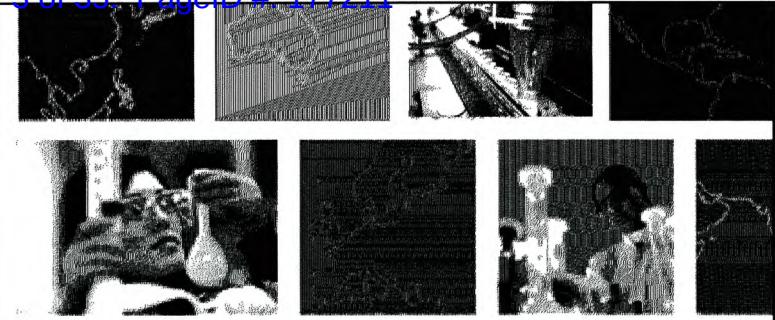


Focused on Global Growth

Customer Relations Operations

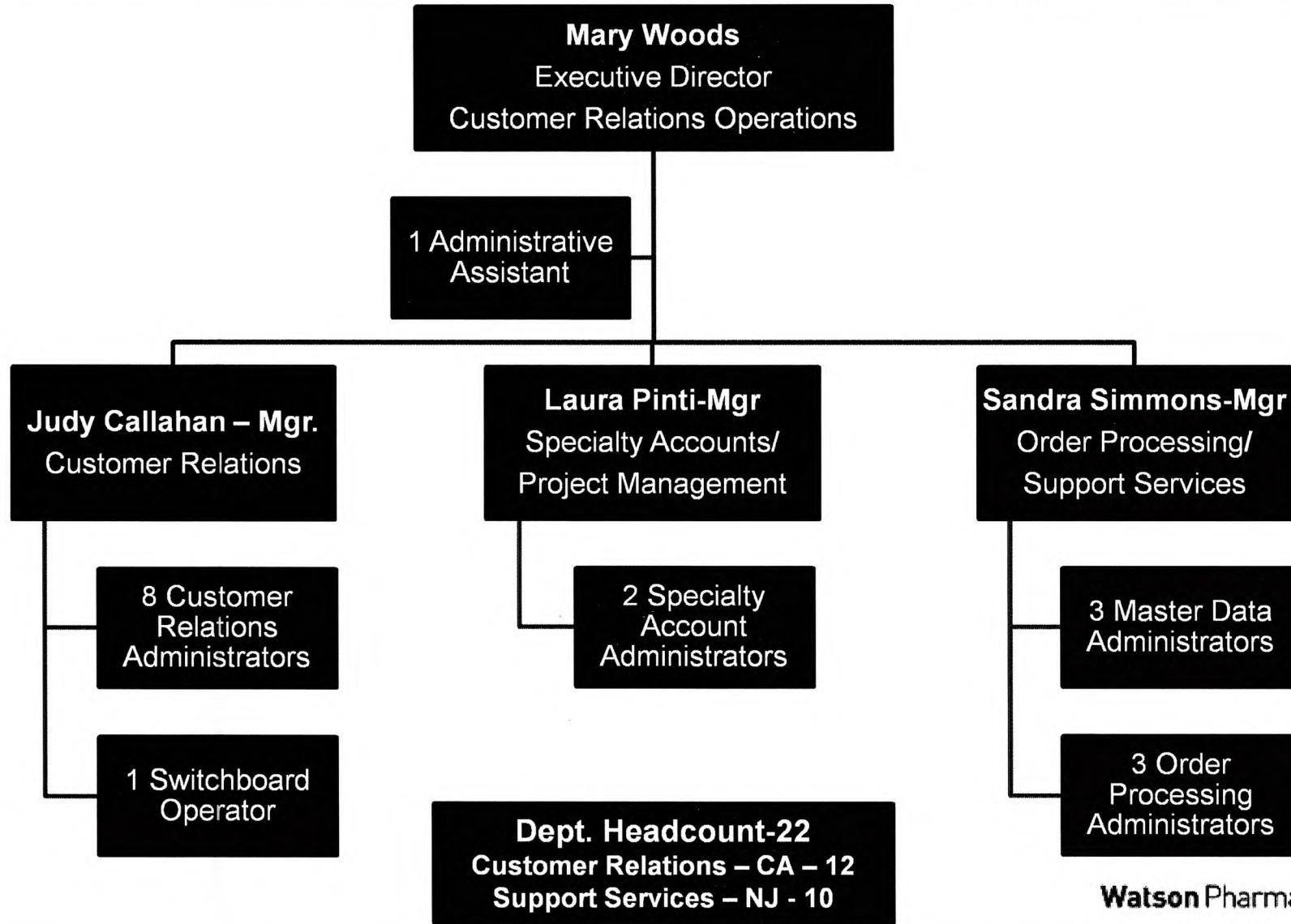
Mary Woods
Exec. Director Customer Relations Operations
2012

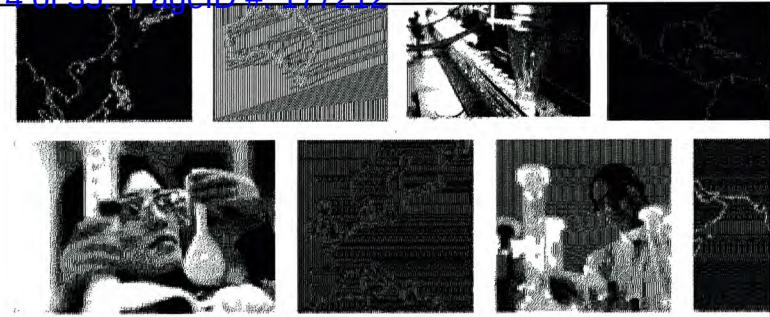




Customer Relations Operations

High-Level Org Chart

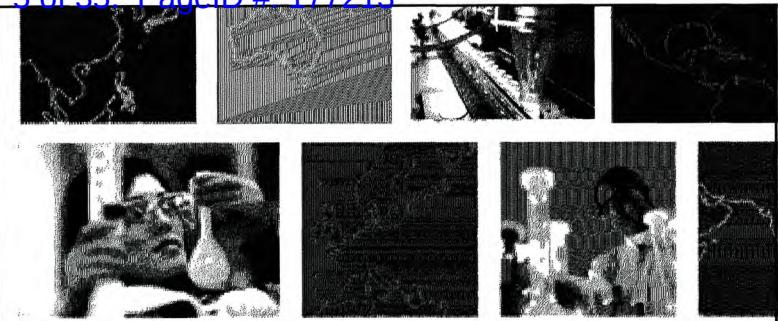




DNA/CRA Alignment

Tony	Vince	David	Maureen	Mark
Giannone	Rinaudo	Schmidt	Barrett	Blitman
Gloria Fernandez/Darlene Grimm	Renee Hernandez/Jeff Gee	Michele Garcia/Christi Hammonds	Bea Padilla/Vicky Goldy	Jeff Gee/Renee Hernandez
Primary Accounts				
AmerisourceBergen	x Albertsons/SuperValu	x Diamond Pharmacy	x ANDA	x Coast Guard
Ahold-Giant	x Amerinet	x Discount Drug Mart	x Afaxys	x DOD
American Health Pkg	x Apexus	x Frank W Kerr	x API	x Indian Health Services
Armada	x Bartell's	x Harvard	x Cardinal	x Minnesota Multi-State
Cedardale	x Broadlane	x ESI COMPANIES:	x Chain Drug Consortium	x Public Health Service
Cigna Mail	x Costco	x Curascript (Econodisc)	x Epic	x R & S
CVS	x HEB	x Rx Outreach	x Health & Diagnostic	x State Targets
Giant Eagle	x Kaiser	x Gerimed	x HPG (HealthTrust)	x VA
H D Smith	x McKesson	x Humana	x Kerr	x
Hannaford Bros	x Morris & Dickson	x Immediate Pharm Servs	x Kinney	x
Innovatix	x Novation	x Indpendent Pharm Corp	x NC Mutual	x
Medco Health Solutions	x Optum (Prescription Sol)	x Keysource	x OptiSource	x
MHA	x PBA	x Masters Rx	x Premier Inc.	x
Oncology Supply (ABC)	x Safeway	x Meijer	x Prime Therapeutics	x
Premier Group	x SAJ	x Omnicare	x Publix	x
Price Choppers	x Schnucks	x PDM	x Puerto Rico Brand Launch	
Henry Schein	x Wal-Mart	x Kroger/Peyton/ESI/EconDisc	x Rite Aid	x
Wakefern/Shoprite	x	x Pharmacy Select	x Target	x
Webster Vet Sup	x	x Sears/Kmart	x Thrifty White	x
Weis Markets	x	x Shopko	x Winn Dixie	x
		x Topco	x	
		x Walgreen	x	
Secondary Accounts				
HPG (Hospice)	x Brookshires (Topco)	x Aurora	x Fruth Pharmacy	x
	x Basha's	x Dakota Drug	x APCI	x
	x Pamida	x Dik Drug	x Cochran	x
	x Seacoast Medical	x DMS	x Vita Rx	x
	x United	x IPS	x Gulf South/PSS	x
			x Healthpartners	x
			x Navarro	x

Watson Pharmaceuticals.



Customer Relations Operations

Key Responsibilities

Customer Relations

5:00 AM – 5:00 PM ET

- Responds to inbound/outbound customer inquiries.
- Generates vital customer reports.
- Trains and implements on customer specific programs/technology to support accounts.
- Provides customer order tracking, document request support, & pedigree validation.
- Brand & Field Rep. support.
- Watson product support program administration.

Order Administration/ Specialty Accounts

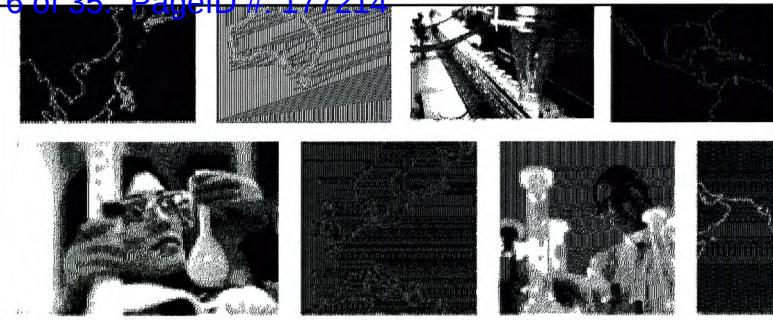
8:00 AM - 5:30 PM ET

- Sales Order maintenance.
- Backorder maintenance .
- Order validation, review, and release.
- Product allocation releases.
- Replacement order management.
- Brand Product/Program Support.
- Patient Assistant Program Support.
- Manages MTO/Int'l accounts-partners with Demand Mgt., Materials Mgt.
- Order Administration : On call hours to support business needs.

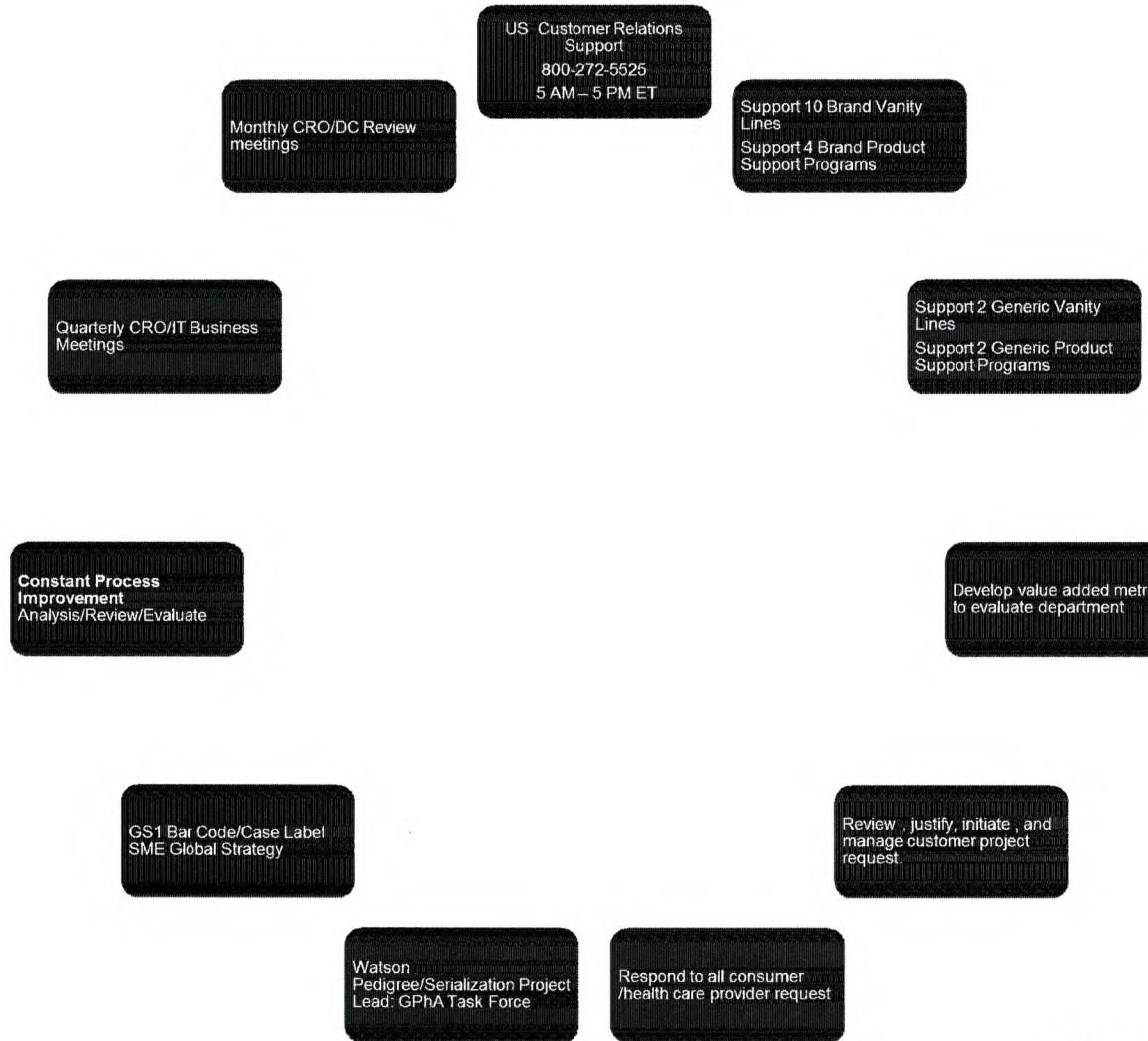
Master Data

8:00 AM – 5:30 PM ET

- Master Data maintenance.
- Reviews, validates, releases SOMS orders.
- Responsible for reporting SOMS violations to DEA Affairs Dept.
- Partners w/DEA Affairs Dept. on compliance & requirements.
- Monthly review NTIS data.
- Monthly productivity reports.
- Call Center portal administration.
- CARS Memberships
- Master Data: On call hours to support business needs



Customer Relations Operations Key Responsibilities



Watson Pharmaceuticals. 

Support Customers, Consumers, Healthcare Professionals, 5-5PM ET: All have access to work from home IP Agent.

In addition to the toll free Cust. Support line: 10 Brand Vanity Lines : Rapaflo, Trelstar, Expert Iron, Oxytrol, Papsure, Glenique, Pro Gel, Androderm, Generess, ella.

4 Brand Co-Pay Programs: Generess, Rapaflo, Gelniques, and Crinone

2- Generic Lines and Programs: Next Choice, and New Beginnings

Next Choice is the highest volume line of all phone lines with approx. 4K a month/2% come to CR

Develop value added metrics to evaluate department strategy and results. Develop department strategy, and present value.

Manage all request for Customer projects, i.e. EDI, CSOS, Reports, Etc.

Respond to all consumer /health care provider request for patient assistance and Watson product inquiries

Pedigree/ Serializations, US/Global

GS1 US Barcode/Case labels

Process improvement strategies

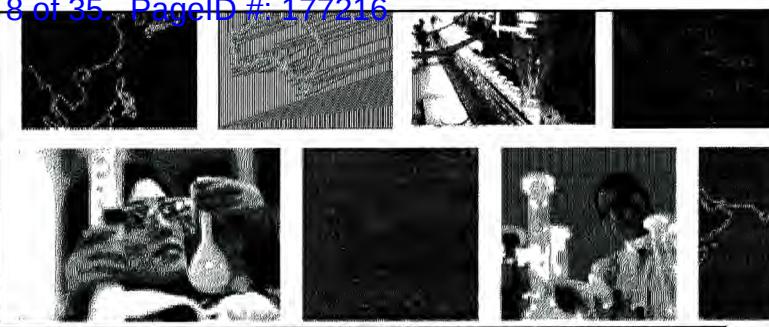
Quarterly IT/Business meetings

Monthly DC/Business meetings

Customer Relations Operations

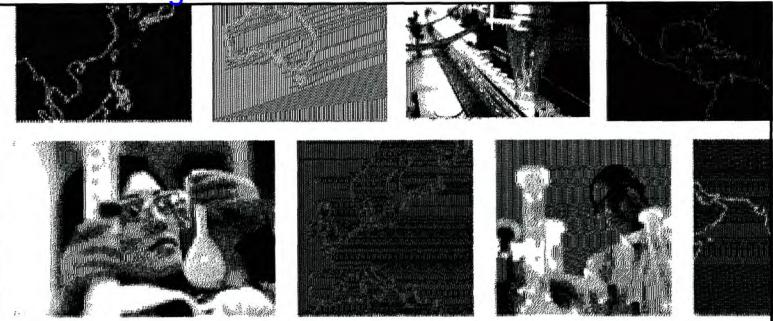
Productivity Statistics

YTD – October 2011



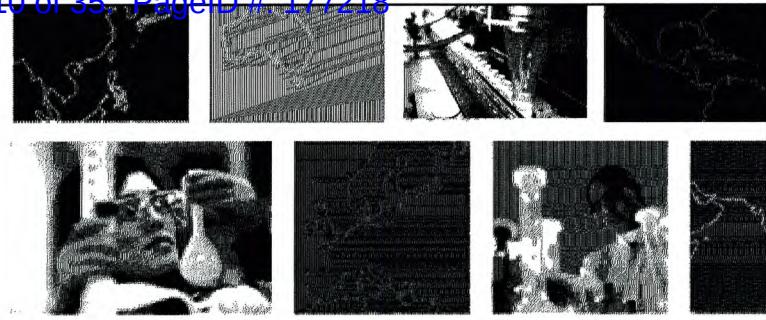
BUDGET SUMMARY		2009	2010	2011 Budget	2011 YTD Actual	% of YTD Budget	2011 YTD vs. 2010 YTD % of change	2011 YTD vs. 2009 YTD % of change
BUDGET								
Total Headcount		25	24	22	22	100.0%	-8.3%	-12.0%
Total Call Center Budget	\$	3,127,993	\$	2,991,130	\$	2,669,489	-10.8%	-14.7%
Labor	\$	2,105,306	\$	2,154,930	\$	2,104,511	-2.3%	0.0%
Other Expenses	\$	1,022,687	\$	836,200	\$	564,979	-32.4%	-44.8%
CUSTOMER RELATIONS - KEY PERFORMANCE INDICATOR		INDUSTRY BENCHMARK	2009	2010	YTD October 2011	2011 YTD vs. 2010 YTD % of change	2011 YTD vs. 2009 YTD % of change	
CUSTOMER RELATIONS - SERVICE LEVELS								
Average Calls Per CR Administrator (monthly avg.)		N/A	798	668	584	-12.5%	-26.8%	
Service Level Standards		90/20	N/A	97%	99%	2.7%	N/A	
Average Percent of Abandoned Calls		≤3%	1.1%	0.9%	0.8%	-16.3%	-30.1%	
First Contact Resolution		75%	N/A	99.0%	93.5%	-5.6%	N/A	
Customer Follow Up Time		≥90%	N/A	96%	96%	-0.4%	N/A	
Average Speed of Answered Calls (seconds)		<10 sec.	6	5	4	-21.3%	-35.4%	
CSAT Survey Standard		≥85%	93.0%	94%	97%	3.4%	4.3%	
Call Quality Standard		≥90%	84.4%	88%	95%	8.4%	12.6%	
Average Cost of Call		\$ 4.10	\$ 5.38	\$ 6.28		16.7%	53.2%	
TRANSACTIONAL STATISTICS - CUSTOMER RELATIONS AND SUPPORT SERVICES		2009	2010	YTD October 2011	2011 YTD vs. 2010 YTD % of change	2011 YTD vs. 2009 YTD % of change		
CUSTOMER RELATIONS - SUPPORT STATISTICS (monthly avg per CRA)								
Customer Requested Reports (100)		13	13	13	3.2%	3.2%		
General Support Inquiries		135	122	117	-4.0%	-13.3%		
Patient Assistance & Consumer Calls		84	80	81	1.6%	-3.3%		
Healthcare Professionals & Pharmacies support request		38	27	26	-4.9%	-32.4%		
*New Beginnings Consumer Support Program inquiries (including avg. calls per CRA)		51	29	70	139.7%	36.3%		
ORDER STATISTICS (monthly avg.)								
Average sales orders generated via Order Administration (non CII, SAA) (monthly avg.)		4,172	4,123	4,062	-1.5%	-2.6%		
Average line items generated - all order		61,828	64,249	69,726	8.5%	12.8%		
Average invoices generated per order		1.8	1.7	2.0	17.6%	11.1%		
Average Orders Reviewed per Order Administrator (monthly avg.)		1,391	1,374	1,354	-1.5%	-2.6%		
Average Allocation Time per Order (hours)		4.42	3.25	4.25	30.8%	-3.8%		
Average Cost of an Order - Manual	\$	6.54	\$ 4.21	\$ 4.18	-0.7%	-36.1%		
Average Cost of an Order - EDI	\$	1.54	\$ 2.21	\$ 2.51	13.6%	63.0%		
MASTER DATA STATISTICS (monthly average per MDA)								
Customer/License Master record review/administration		216	283	329	16.3%	52.3%		
SOMS Validations		62	167	280	67.7%	351.6%		
CARS record review/administration		199	201	208	3.5%	4.5%		
TRANSACTIONAL STATISTICS - SPECIALTY ACCOUNTS		YTD AVERAGE 2009	YTD AVERAGE 2010	YTD October 2011	2011 YTD vs. 2010 YTD % of change	2011 YTD vs. 2009 YTD % of change		
SPECIALTY ACCOUNTS								
Total # of MTO/International Accounts		25	25	28	12.0%	12.0%		
Average # of MTO/International Orders (monthly avg. per SAA)		17	10	11	10.0%	-35.3%		
Total Dollars MTO/International	\$	15,837,429.42	\$ 18,001,666.75	\$ 19,862,732.42	10.3%	25.4%		
Average # of Patient Assistance Program Support Orders (Brand Products)		64	122	228	87.2%	256.9%		
Total Dollars PapSure	\$	481,250.00	\$ 375,375.00	\$ 445,000.00	18.5%	-7.5%		
Total Dollars Crinone	\$	-	\$ 2,374,829.21	\$ 7,791,713.92	228.1%	N/A		
Total Dollars Trelstar	\$	8,259,973.75	\$ 10,540,798.33	\$ 16,602,670.40	57.5%	101.0%		

2011 Accomplishments



- **Pedigree/Serialization Project Request Approval – July 2011**
 - India Serialization: exported product
- **Reverse Distribution RFP**
- **Global Bar Code /Case Label Standardization : 3 Party Mfg Policy –Dec. 2011**
 - Develop global standardization process
 - Create strategy and execute plan to correct all non-compliant case labels.
- **Implementation – Global Order to Cash – SAP/ERP – Canada- Dec. 2011**
 - Order Processing
 - Master Data
- **Salesforce.com – CRM replacement for Siebel - Oct. 2011**
- **SOMS Assessment Initiation**
 - DEA Affairs initiative – MD owner in SAP
- **CARS – Master Data Assessment – July. 2011**
- **Brand Product Launch Teams: (5) – Nov 2011 – March 2012**
- **Portal – CRO Department Training Program – Dec. 2011**

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2012 Objectives

- **Pedigree/Serialization Project Team**
 - Define Project team roles/responsibilities • Identify strategic imperatives
 - CA 2015 / Federal
- **Reverse Distribution RFP Completion**
 - Return Goods Policy
- **Implementation – Global Order to Cash – SAP/ERP – UK**
 - Order Processing
 - Master Data
- **SOMS Systems – Partner with DEA Affairs to**
 - DEA Affairs initiative – MD owner in SAP
- **CARS Replacement -Partner with contracts to manage data in new system**
 - Training, Creation of processes, and procedures
- **Brand Product Launch Teams: (2) March 2012**
- **KPI Combined Metric Dashboard – Partner with VP Global Ops/Demand Planning & Distribution team to define Metric Imperatives**
- **New Account Approval Process – Evaluate necessary process flow and approvals**

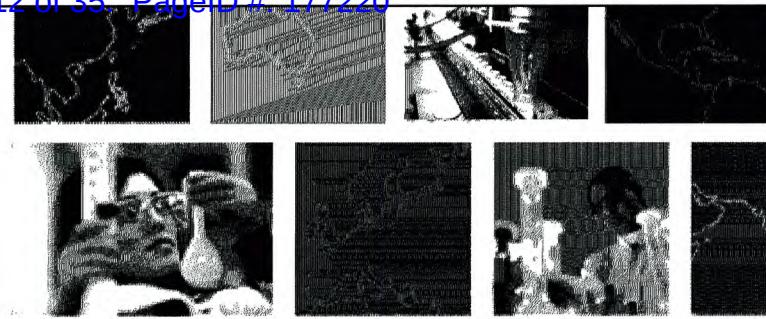
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CONTROLLED SUBSTANCE COMPLIANCE:

A Collaborative Team Approach

What is SOM (Suspicious Order Management)?



SOM (Suspicious Order Management) is a DEA requirement (21 CFR 1301.74(b)) which, *specifically requires that a registrant "design and operate a system to disclose to the registrant suspicious orders of controlled substances."*

What is a 'suspicious' order?

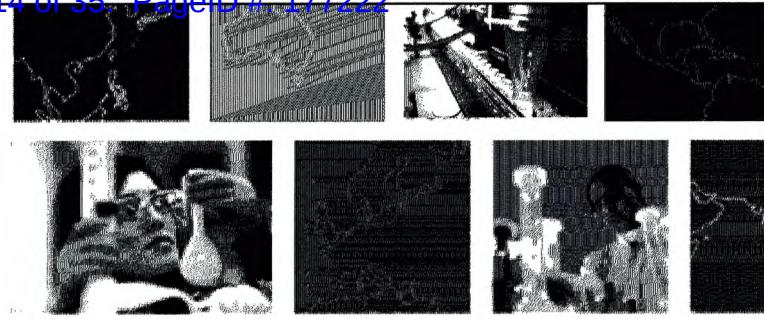
DEA 21 CFR 1301.74(b), describes suspicious orders as *having significant deviation in, Order Size (Quantity), Order Frequency, and/or Order Pattern.*

*Anti-diversion is Proactive, not Reactive:

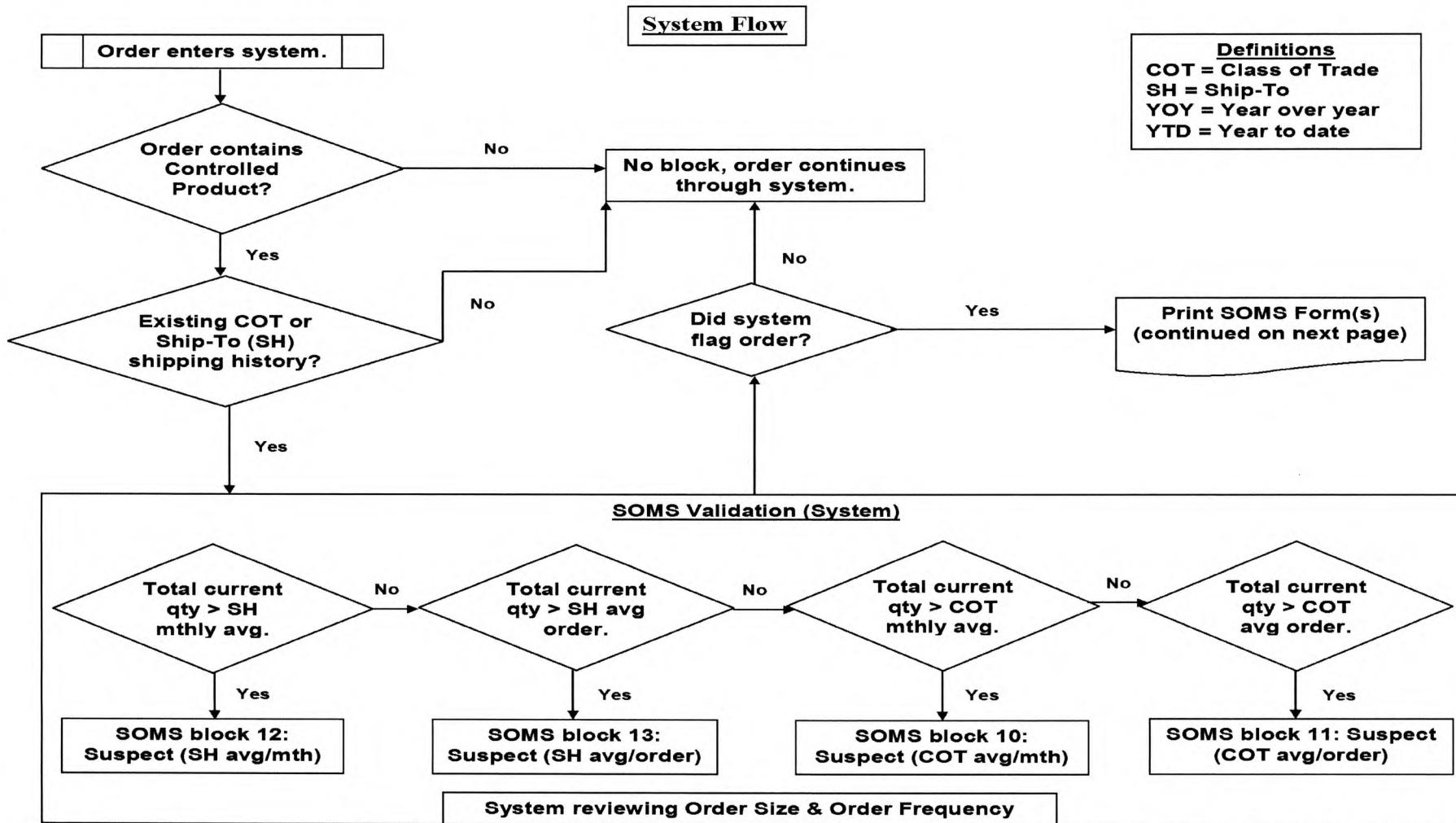
Controlled Substance Registrants are required to place on hold, investigate, and disclose to the DEA all suspicious **ORDERS** of controlled substances; **NOT** suspicious **SALES** after the fact.

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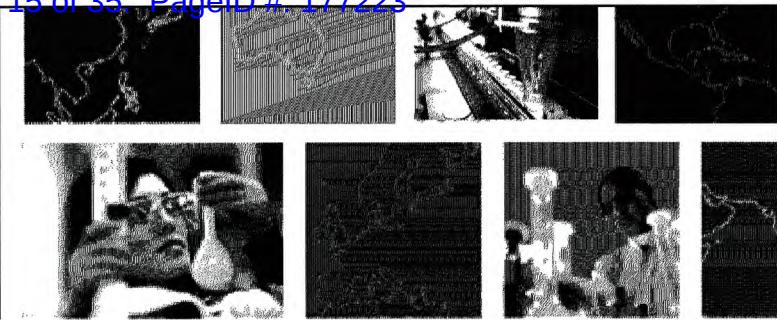
Protects Watson, protects your customers. We are required to know our customers, customer.



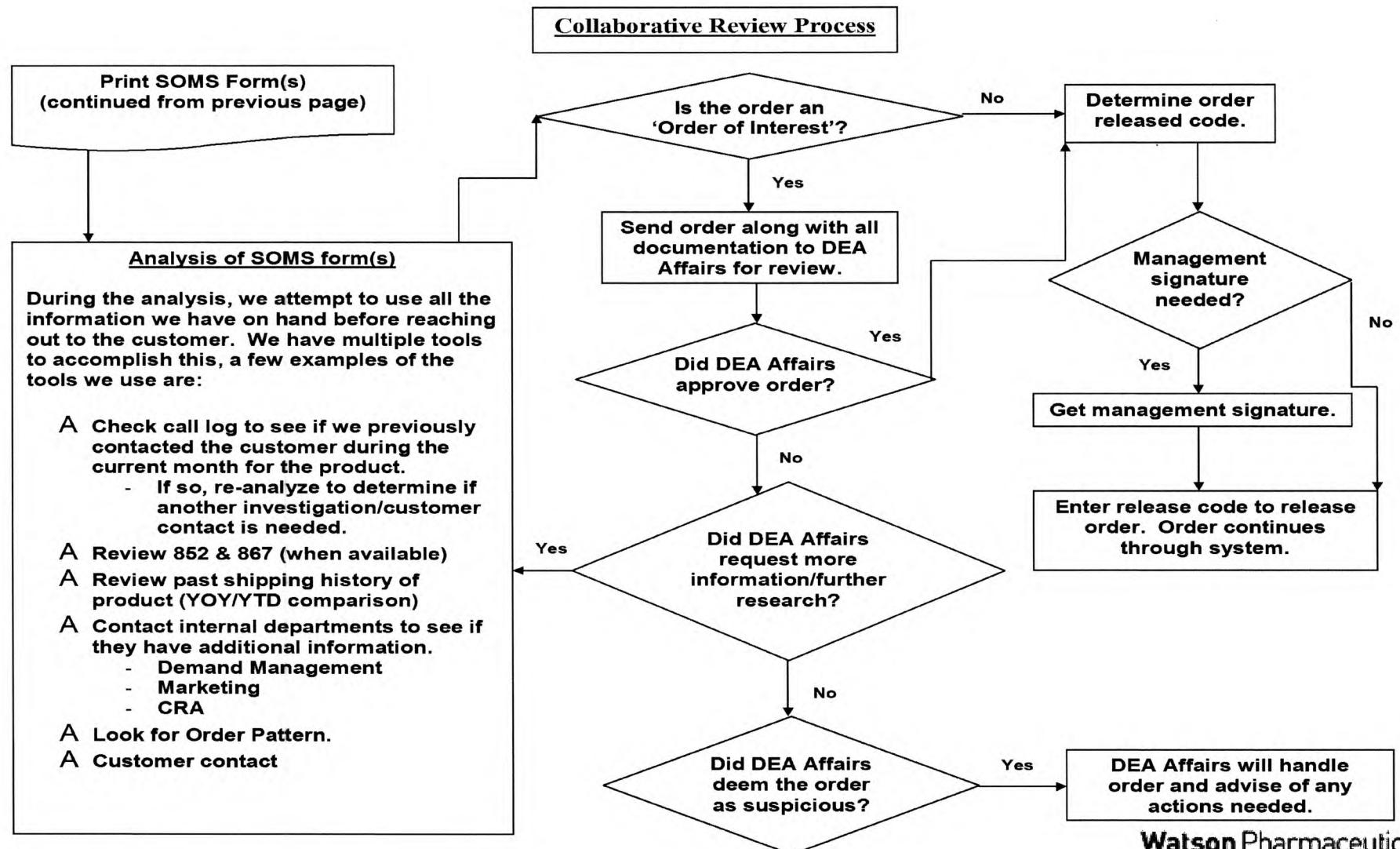
SOMS System Flow

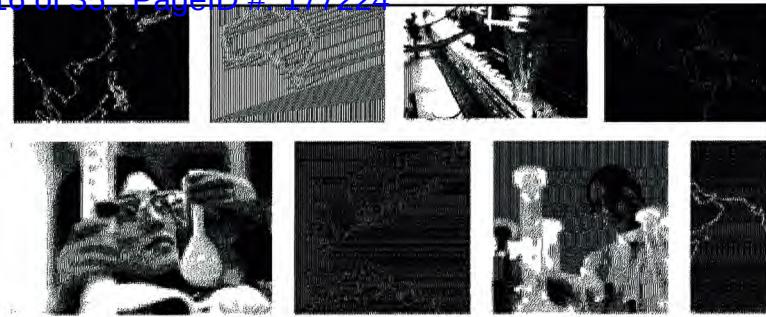


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SOMS Collaborative Review





SOMS Block Example

Sales document Edit Goto Extras Environment System Help

SAP

Create Standard Order: Overview

Orders

Standard Order	Net value	8,781.06 USD
Sold-to party	1075478 D&K WHOLESALE DRUG / 8000 MARYLAND AVE / ST LOUIS...	
Ship-to party	10006667 WALSH HEARTLAND LLC / #1 WALSH DR / PARAGOULD AR 7...	
PO Number	Testing SOMS #1	PO date 07/14/2006

Sales Item overview Item detail Ordering party Procurement Shipping Reason for rejection

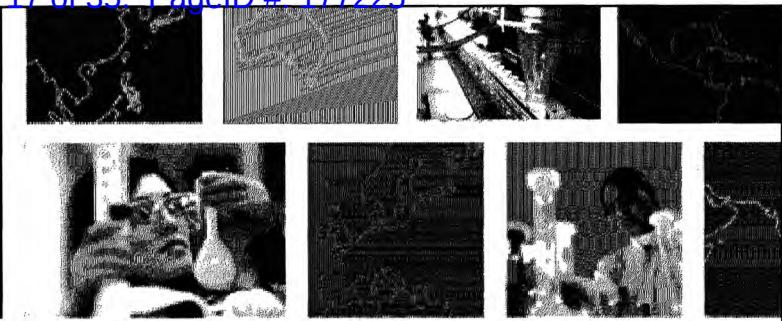
Req. deliv.date	D 07/14/2006	Deliver Plant	
<input type="checkbox"/> Complete div.		Total Weight	12.648 LB
Delivery block	Suspect (Cus Awfmlh)	Volume	30.899 DM3
Billing block		Pricing date	07/14/2006
Payment card		Exp.date	
Payment terms	2005 2 % 80 NET 61	Incoterms	CIF Destination
Order reason			
Sales area	1000 7 10 10	Watson Sales, Watson, Watson	

All items

Item	Material	Order quantity	SU	S	Description	Customer Material Numbr	ITCa	DG...	HgLvlt	First d...
1000591523801		79 BTL			MEPROBAMATE 400MG TAB 100	TAN				D 07/14
										D 07/14
										D 07/14
										D 07/14
										D 07/14

WQ2 (1) (300) uscasnv0126 INS

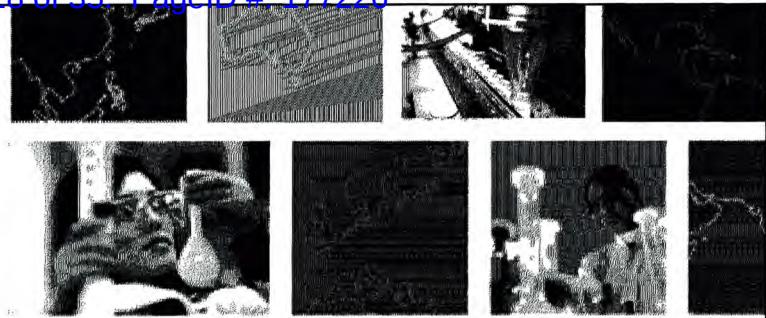
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852 Data Example

Product	Product ID	Week Ending 02/27/11					Week Ending 03/06/11				
		852 On-Hand Qty	852 Avg Daily Sold	852 DOH	852 WOH	852 Sold	852 On-Hand Qty	852 Avg Daily Sold	852 DOH	852 WOH	852 Sold
ACARBOSE 100MG TAB 100, (000000016252052501)	16252052501	4	0	56.0	8.0	1	4	0	84.0	12.0	
ACARBOSE 25MG TAB 100, (000000016252052301)	16252052301	4	0	24.0	3.4	1	3	0	18.0	2.6	1
ACARBOSE 50MG TAB 100, (000000016252052401)	16252052401	3	0	63.0	9.0	1	1	0	14.0	2.0	2
AFEDITAB CR 30MG TAB 100, (000000000591319301)	00591319301	9	0	27.0	3.9	1	8	0	30.5	4.4	1
AFEDITAB CR 60MG TAB 100, (000000000591319401)	00591319401	13	0	54.6	7.8		12	0	56.0	8.0	1
ALBUTEROL SULFATE INH 0.083% 25X3ML 75, (000000000591379783)	00591379783	1,397	15	91.1	13.0	75	1,210	17	71.1	10.2	187
ALBUTEROL SULFATE INH 0.083% 30X3ML 90, (000000000591379730)	00591379730	0	0	NaN	NaN		0	0	NaN	NaN	
ALBUTEROL SULFATE INH 0.083% 60X3ML 180, (000000000591379760)	00591379760	513	16	32.2	4.6	121	454	14	31.6	4.5	59
ALBUTEROL SULFATE INH 2.5MG/3ML 25X3ML, (000000016252009722)	16252009722	0	0	NaN	NaN		0	0	NaN	NaN	
ALBUTEROL SULFATE INH 2.5MG/3ML 60X3ML, (000000016252009766)	16252009766	0	0	NaN	NaN		0	0	NaN	NaN	
ALENDRONATE SODIUM 35MG TAB 4, (000000000591007704)	00591007704	0	0	NaN	NaN		0	0	NaN	NaN	
ALENDRONATE SODIUM 35MG TAB 4, (000000000591317104)	00591317104	38	1	51.5	7.4	2	34	1	49.2	7.0	4
ALENDRONATE SODIUM 70MG TAB 4, (000000000591003104)	00591003104	0	0	NaN	NaN		0	0	NaN	NaN	
ALENDRONATE SODIUM 70MG TAB 4, (000000000591317304)	00591317304	1,378	51	26.9	3.8	213	1,158	53	21.9	3.1	221
AMLODIPINE BESY/BENAZEPRIL 10/20MG CP100, (000000000591376001)	00591376001	43	2	22.0	3.1	7	27	2	13.8	2.0	16
AMLODIPINE BESY/BENAZEPRIL 10/20MG CP500, (000000000591376005)	00591376005	10	0	105.0	15.0		9	0	94.5	13.5	1
AMLODIPINE BESY/BENAZEPRIL 2.5/10MG C100, (000000000591375701)	00591375701	8	0	30.5	4.4	2	7	0	26.7	3.8	1
AMLODIPINE BESY/BENAZEPRIL 5/10MG CAP100, (000000000591375801)	00591375801	28	1	26.1	3.7	1	21	1	25.9	3.7	7
AMLODIPINE BESY/BENAZEPRIL 5/10MG CAP500, (000000000591375805)	00591375805	14	0	588.0	84.0		14	0	Infinity	Infinity	
AMLODIPINE BESY/BENAZEPRIL 5/20MG CAP100, (000000000591375901)	00591375901	39	2	23.7	3.4	17	30	2	19.7	2.8	9
AMLODIPINE BESY/BENAZEPRIL 5/20MG CAP500, (000000000591375905)	00591375905	3	0	15.8	2.3	4	1	0	4.7	0.7	2
ATENOLOL/CHLOR 100/25MG TAB 100, (000000000591578301)	00591578301	25	1	31.8	4.5	3	22	1	31.9	4.6	3
ATENOLOL/CHLOR 50/25MG TAB 100, (000000000591578201)	00591578201	16	1	21.0	3.0	3	0	1	0.0	0.0	16
BALSALAZIDE DISODIUM 750MG CAP 280, (000000000591357035)	00591357035	0	0	NaN	NaN		0	0	NaN	NaN	
BUPROPION HCL ER (SR DEP) 100MG TAB 60, (000000000591354060)	00591354060	37	1	29.9	4.3	9	29	1	22.1	3.2	8

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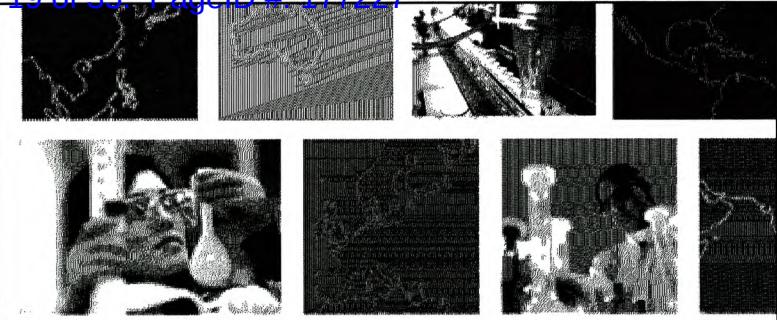


867 Data Example

StartDate ▾	EndDate ▾	ShipFromNtv ▾	ShipToNtv ▾	ShipToNm ▾	Ship To State ▾	Ship To Zip ▾	InvD ▾	ProdId ▾	Qty ▾	ContractPric e ▾
8/1/2010	8/7/2010	RK0236403	BP7680146	Precision Care Pharmacy	PA	15650	8/2/2010	00591080005	1	\$20.99
8/1/2010	8/7/2010	RK0236403	BP4833225	PNS INSTITUTIONAL	TN	37604	8/2/2010	00591080105	1	\$26.05
8/1/2010	8/7/2010	RK0236403	BP4833225	PNS INSTITUTIONAL	TN	37604	8/2/2010	00591084501	1	\$20.25
8/1/2010	8/7/2010	RK0236403	BP4833225	PNS INSTITUTIONAL	TN	37604	8/2/2010	00591354125	2	\$76.99
8/1/2010	8/7/2010	RK0236403	BP4833225	PNS INSTITUTIONAL	TN	37604	8/2/2010	00591354060	2	\$19.05
8/1/2010	8/7/2010	RK0236403	BP4833225	PNS INSTITUTIONAL	TN	37604	8/2/2010	00591343330	3	\$7.10
8/1/2010	8/7/2010	RK0236403	FT1693173	The Apothecary Shop	TX	75235	8/2/2010	00591085305	1	\$68.45
8/1/2010	8/7/2010	RK0236403	FL1925621	LIFETIME RX PHARMACY ,	TX	77039	8/2/2010	00591050305	7	\$26.20
8/1/2010	8/7/2010	RK0236403	FL1925621	LIFETIME RX PHARMACY ,	TX	77039	8/2/2010	00591551310	2	\$64.99
8/1/2010	8/7/2010	RK0236403	FL1925621	LIFETIME RX PHARMACY ,	TX	77039	8/2/2010	00591065701	3	\$2.99
8/1/2010	8/7/2010	RK0236403	BS6156372	Owingsville Drug	KY	40360	8/2/2010	00591034905	1	\$15.80
8/1/2010	8/7/2010	RK0236403	BB3245481	Brine Pharmacy	OH	44420	8/2/2010	00591317304	24	\$3.30
8/1/2010	8/7/2010	RK0236403	BB3245481	Brine Pharmacy	OH	44420	8/2/2010	00591084510	1	\$203.99
8/1/2010	8/7/2010	RK0236403	FK0645551	K2 Pharmacy	TX	77015	8/2/2010	00591050305	4	\$26.20
8/1/2010	8/7/2010	RK0236403	FK0645551	K2 Pharmacy	TX	77015	8/2/2010	00591054005	3	\$51.90
8/1/2010	8/7/2010	RK0236403	FK0645551	K2 Pharmacy	TX	77015	8/2/2010	00591551310	12	\$64.99
8/1/2010	8/7/2010	RK0236403	FK0645551	K2 Pharmacy	TX	77015	8/2/2010	00591034705	1	\$30.75
8/1/2010	8/7/2010	RK0236403	FS2019102	STAR PHARMACY INC	TX	77071	8/2/2010	00591551310	5	\$64.99
8/1/2010	8/7/2010	RK0236403	FQ0055790	Qualicare Pharamcy	TX	77026	8/2/2010	00591050305	4	\$26.20
8/1/2010	8/7/2010	RK0236403	FQ0055790	Qualicare Pharamcy	TX	77026	8/2/2010	00591054005	2	\$51.90
8/1/2010	8/7/2010	RK0236403	FQ0055790	Qualicare Pharamcy	TX	77026	8/2/2010	00591551310	4	\$64.99
8/1/2010	8/7/2010	RK0236403	FG0254552	Guardian Pharmacy of Daytona	FL	32174	8/2/2010	00591317104	1	\$2.40
8/1/2010	8/7/2010	RK0236403	FG0254552	Guardian Pharmacy of Daytona	FL	32174	8/2/2010	62037056005	1	\$249.50
8/1/2010	8/7/2010	RK0236403	BH7083847	Anderson Crossing Pharmacy	TN	37705	8/2/2010	00591354125	2	\$93.70
8/1/2010	8/7/2010	RK0236403	BR9534315	The RX Shop	FL	33756	8/2/2010	00591551310	1	\$64.99
8/1/2010	8/7/2010	RK0236403	BR9534315	The RX Shop	FL	33756	8/2/2010	00591222910	1	\$33.85

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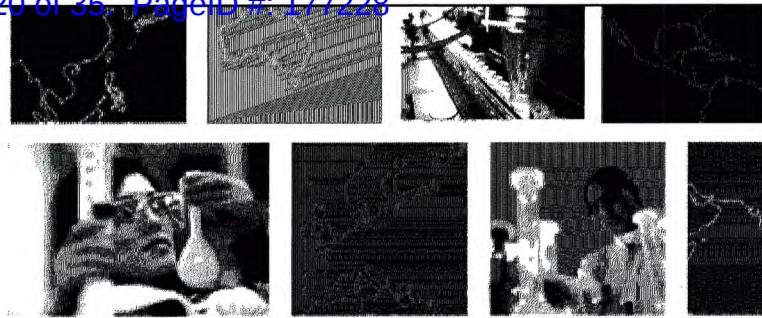
YOY/YTD Comparison Example



Sum of QTY DELIVERED

MATERIAL#	DESCRIPTION	Years	Months	SHIP D/	SO DATE	SO#	SHIP TO	CITY
							Case Study	Anytown, USA
00591588301	METHYLPHENIDATE HCL 10MG TAB 100	2009	Feb				60	
			Mar				60	
			Apr				36	
			May				24	
			Jun				24	
			Jul				60	
			Aug				24	
			Sep				36	
			Oct				60	
			Nov				12	
			Dec				36	
		2009 Total					432	
		2010	Jan				12	
			Feb				48	
			Mar				36	96
			Apr				48	
			May				24	
			Jun				12	
			Jul				24	
			Aug				48	
			Sep				12	
			Oct				54	
			Nov				48	
			Dec				24	
		2010 Total					390	
		2011	Jan				36	
			Feb				60	
			Mar				36	132
		2011 Total					132	
	METHYLPHENIDATE HCL 10MG TAB 100 Total						954	
00591588301 Total							954	
Grand Total							954	

 Watson Pharmaceuticals.



Email Verbiage



To...

Cc...

Bcc...

Subject: Example Order(s) on Hold

Hi Example, in accordance with 21 CFR 1301.74, we are required to conduct independent analysis of orders prior to completing a sale to determine whether substances are likely to be diverted from legitimate channels. You have been contacted due to the fact that your order placed today has prompted further analysis based on a deviation in one of the following areas; unusual size, frequency, or pattern. In an effort to expedite the investigation process and mitigate any delays or inconvenience, we are requesting supporting information necessary to justify the fulfillment of the order in question.

PO# 032511
00591034905 HYDRCODONE/APAP 5/500MG TAB 500 – QTY 100

Please note the entire order is on hold. Your quick response will ensure your entire order will be released in a timely manner.

Any questions, let me know

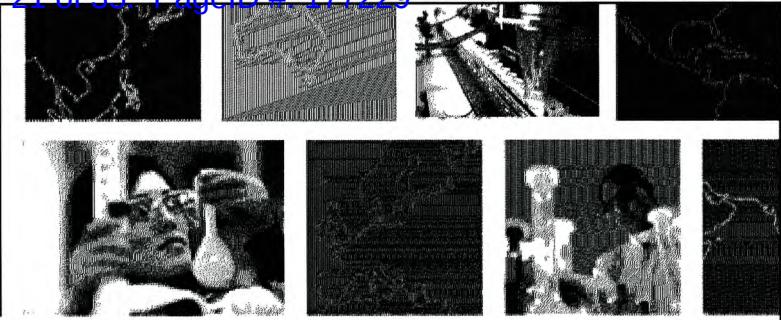
Thanks,

Larry

Larry Shaffer

 Watson Pharma, Inc.
Master Data Administrator
360 Mount Kemble Avenue
Morristown, NJ 07962-1953
P. 973.355.8152
F. 973.355.8221

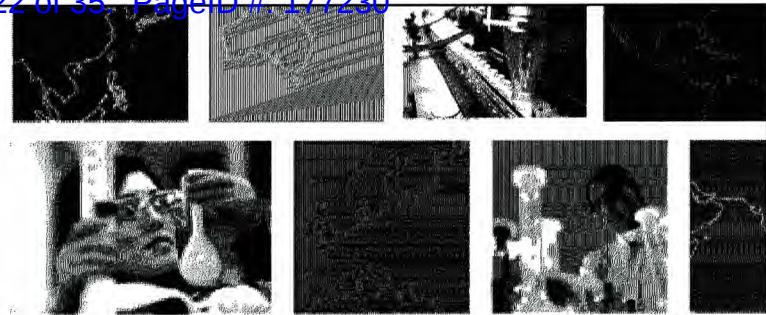
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“Order of Interest” Evaluation/Investigation

- A Watson's Global Security & DEA Affairs Department is responsible for the investigation and disposition of controlled substance “orders of interest”
 - A “Registrants must conduct an independent analysis of suspicious orders prior to completing a sale to determine whether the controlled substances are likely to be diverted from legitimate channels.” (Dec 2007 DEA letter)
- A Order of Interest Evaluation v. Suspicious Order Investigation
- A Common “Red Flags”

“Order of Interest” Investigation: Red Flags

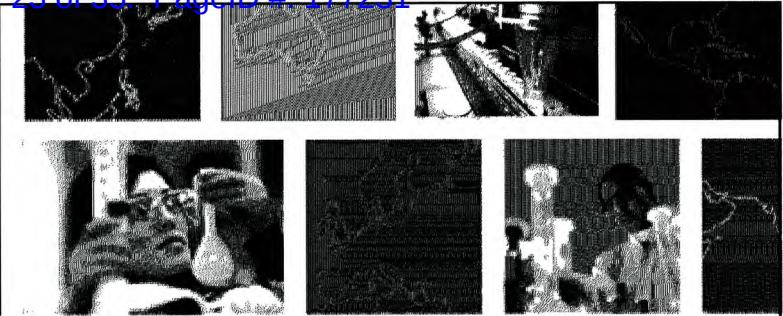


Pain Management Clinic, LLC
STOP THE PAIN
Treatment of:

- Chronic Pain
- Anxiety
- Depression
- Insomnia

Valerie Sullivan M.D.
Pain Management /Behavioral Medicine
954-776-3940
954-776-3941
1000 E. Commercial Blvd., Suite 1002

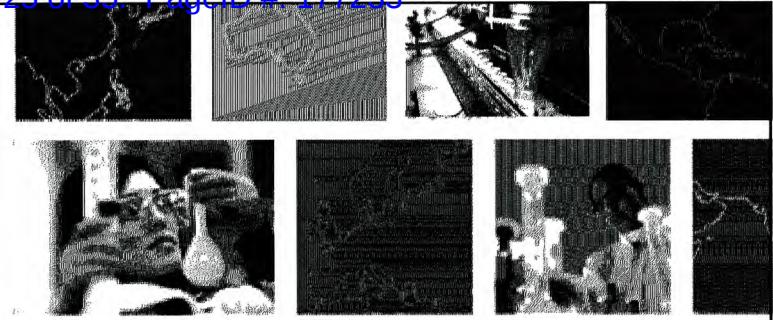
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“Order of Interest” Disposition

- A Orders are thoroughly investigated and if substantiated by the customer, they are released within the SAP System and filled by the Gurnee Distribution Center
 - A Documented evidence to support order release
 - A Requires immediate attention – Preserve legitimate business relationships
- A If an order is deemed suspicious, the customer's order is cancelled and an investigation report is completed
- A All suspicious orders are reported to the DEA Chicago Field Office
 - A To date, Watson has reported a few suspicious order to the Chicago Field Office

Please do not promise your customer controlled product with the impression that Marketing is the only approval process. Typically the large wholesalers are not an issue, however, smaller wholesaler and distributors, and some chains, and mail order will be held and required to provide documentation. All responses are auditable.



Partnership Calls

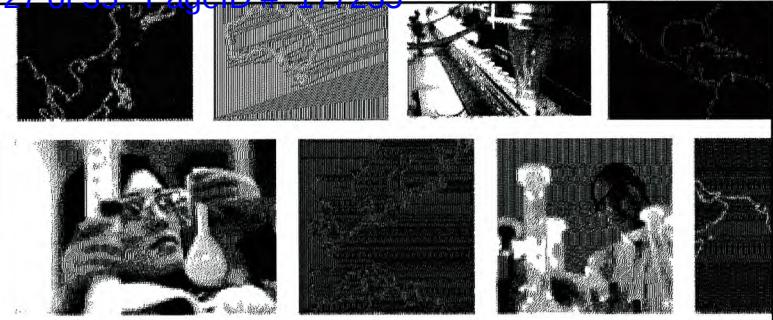
Partnership Conference Call Agenda

- A Introductions – By Organization
- A Goals and Benefits of Meeting – Watson Pharma & Customer
- A Basics of Watson SOMS System – Watson – Mary Woods
- A DEA Regulatory Landscape/Impact on Watson Order Review Process
- Lisa Scott
- A Distribution Limits/Policy Review – Customer
- A Vetting process/Customer Investigation – Customer
- A Customers Base – Customer



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Most of the time the education process is enlightening, the customer will provide us with copies of policies, procedures, distribution limits, customers, agree to 852 data, send usage, etc. and are as concerned as we are, and sometimes that are red flags that present a risk that is to big for Watson. Customers shipping to in correct licensed facilities, physicians receiving inordinate amount of controls monthly to dispense from their office, YOY increases of abused controls by 85%, high % of distribution in the states of TX, FL, KY, GA, TN., 70% or more of their pill volume from Watson is controlled product.



Progressive Results

Results of partnership conference call

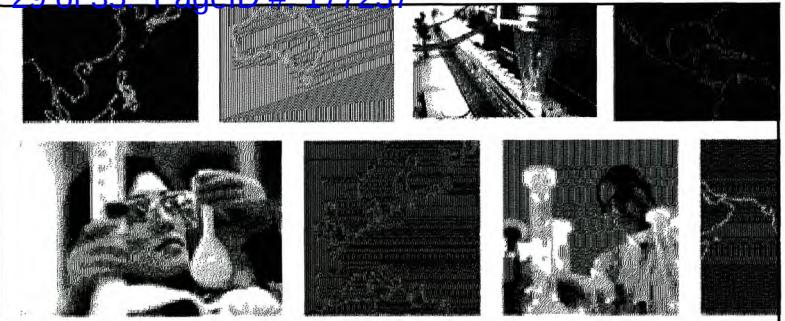
- A Customers able to grow their business, but we need documentation/visibility to be justifiable.
- A Customers willing to provide 852 & 867 data.
- A Data comprehension.
- A Order Justification.
- A Customers willing to implement more stringent and rigorous requirements for SOMS evaluation process.
- A Partnering with our DEA Affairs department.
- A Thorough Customer questionnaires
- A Thorough vetting process/site visits
- A Periodic site visits
- A Mix of products on contracts and orders



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Many smaller dist still manually monitor the SOMS process.

Bids and contracts should be well balanced between controls and RX

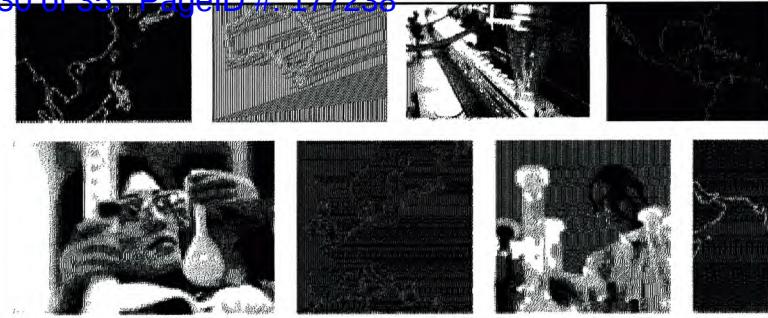


Watson "New" Accounts

Prospect Name:	Date:	DNA Requesting:
Address:		
City:	State:	Zip:
Contact Name:	Phone #:	
Email:	CRA:	
1. Is your company a member of Health Distributors & Manufacturers Association (HDMA) or National Association of Chain Drug Stores (NACDS)		HDMA NACDS Not a member
1. Will you be able to commit to purchasing a minimum of \$250,000 annually?		Yes No
1. Will you commit to stocking a minimum of 100 different SKU's?		Yes No
1. Are you a complete full line wholesaler? Comments:		Yes No
1. Who are you currently purchasing from? Provide name(s) of wholesaler/distributors:		
1. Do you have copies of the following registrations/license(s)? Must provide copies of state, DEA and Resale Tax exempt certificate with qualifying questionnaire.		
State Pharmacy Board License #:		Exp. Date: N/A
DEA Registration Number:		Exp. Date: N/A
Resale Tax Exempt Certificate Number:		Exp. Date:
Remarks:		
1. Will you commit to buying in case quantities?		Yes No
1. Will you be ordering through EDI?		Yes No
1. Do you utilize CSOS?		Yes No
1. What is your Class of Trade?		
1. Who are your customers i.e. Nursing homes, pharmacies, clinics etc.?		
1. What products in our line are you interested in purchasing?		
1. Does your company follow a vetting policy for new accounts?		Yes No
1. Is this policy available for review?		Yes No
1. Does your company follow a CSOP for review/enforcing distribution limits for controlled substances?		Yes No
1. Is this policy available for review?		Yes No

Overall volume is based on pill/patch/vial count not units. (Total overall volume should total 100%)		
Generic Rx (non Control)	% of overall volume from Watson:	
Schedule C3-C5	% of overall volume from Watson:	Is your customer list available for review? Yes No
Schedule C2	% of overall volume from Watson:	Is your customer list available for review? Yes No
OTC	% of overall volume from Watson:	
Brand Rx	% of overall volume from Watson:	
1. What credit line are you looking for?		
1. Is this prospect ready to place an order? Yes No		
ADDITIONAL INFORMATION FOR CUSTOMER RELATIONS ONLY.		
A. New Customer Request received from: Call from Prospect DNA Other: f (Provide Name)		
A. Customers requesting to purchase C2- C5: Provide questionnaire and customer list to DEA Compliance/Director Customer Relations.		
Remarks:		

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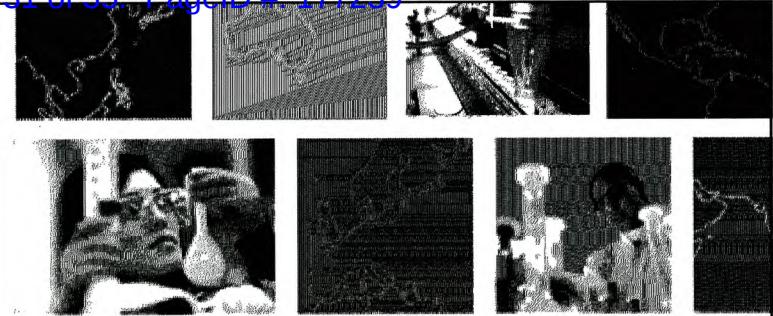
Carisoprodol CIV

On December 12th, 2011 The DEA announced that effective January 11th, 2012, Carisoprodol will be placed in schedule IV of the Controlled Substance Act.

Any person who engages in the manufacturing, distribution, dispensing, importing, exporting, as well as any person who possesses the drug will be subject to the provision of the Act and the DEA regulation, including the Act's administrative, civil, and criminal sanctions which are applicable to schedule IV controlled substances.

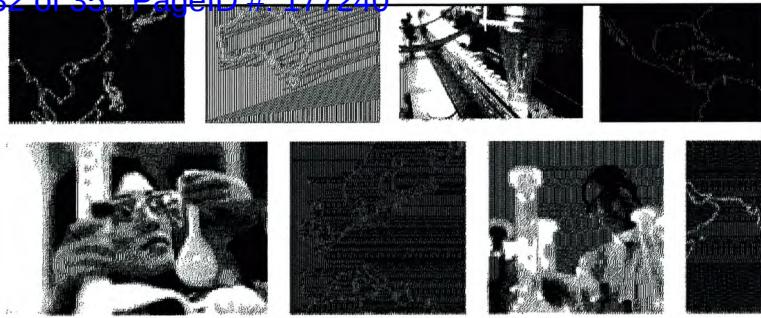
January 11th, 2012: Carisoprodol will be regulated as a C-IV controlled substance following the Controlled Substance Act.

- All customer orders/backorders remaining open at the COB on January 10th will be cancelled.
- Customer Relations will notify customers of any cancelled orders to determine if a new PO will need to be submitted as a C-IV controlled product, on or after January 11th, 2012.
- Carisoprodol will be monitored and reviewed as all other controlled substance products.
- NDC number will remain the same
- Carisoprodol inventory will continue to be shipped in the **current non CIV label/packaging**. Updates as to the timing of the new packing will follow.



Carisoprodol CIV cont.

- **April 10th, 2012:** Labeling and Packaging - All commercial containers of Carisoprodol that are packaged on or after April 10th, 2012 shall be labeled as C-IV and packaged in accordance with 21CFR 1302.03-1302.07. Commercial container packaged before April 10th, 2012 and not meeting the requirement of 21CFR 1302.03-1302.07 **may be distributed until June 11th, 2012.**
- **June 11th, 2012:** On or after June 11th, 2012 all commercial containers of Carisoprodol must be labeled as C-IV and comply with 21CFR 1302.03-1302.07. Only C-IV labeled product may be distributed on and after June 11th, 2012.



CSOS

2009 Customers

2009 Customers		
# of C2 orders		9606
2009 CSOS Orders		
Sold-to pt	Sold-to party	Total
1201315	HD SMITH	303
1201368	KINRAY INC	51
1201688	WALGREEN COMPANY	122
1301731	KEYSOURCE MEDICAL INC	11
1318826	ANDA GENERICS INC	25
Grand Total		512

5% C2 orders received via CSOS

2010

2010		
# of C2 Orders		9895
2010 CSOS Orders		
Sold-to pt	Sold-to party	Total
1201047	AMERISOURCEBERGEN CORP	76
1318826	ANDA GENERICS INC	87
1201315	HD SMITH	545
1301731	KEYSOURCE MEDICAL INC	42
1201368	KINRAY INC	58
1201766	MASTERS PHARMACEUTICALS INC	12
1201399	MCKESSON	559
1201630	SUPERVALU, INC.	10
1201688	WALGREEN COMPANY	197
Grand Total		1586

16% C2 orders received via CSOS

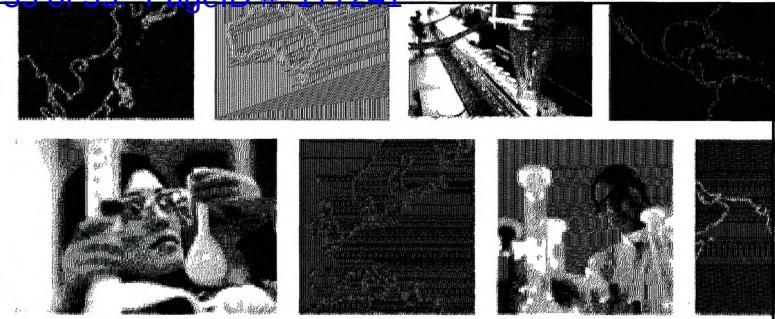
2011

2011		
# of C2 Orders		8960
2011 CSOS Orders		
Sold-to pt	Sold-to party	Total
1201047	AMERISOURCEBERGEN CORP	1331
1318826	ANDA GENERICS INC	146
1201162	DAKOTA DRUG INC/MINOT	109
1201315	HD SMITH	538
1301731	KEYSOURCE MEDICAL INC	23
1201368	KINRAY INC	34
1201766	MASTERS PHARMACEUTICALS INC	71
1201399	MCKESSON	4088
1201428	MIAMI-LUKEN INC	21
1201458	N C MUTUAL WHOLESALE DRUG	13
1201630	SUPERVALU, INC.	26
1201688	WALGREEN COMPANY	213
Grand Total		6613

74% C2 orders received via CSOS

# OF C2 CUSTOMERS	50
# CSOS CUSTOMERS	12
% OF CUSTOMERS CSOS	24%

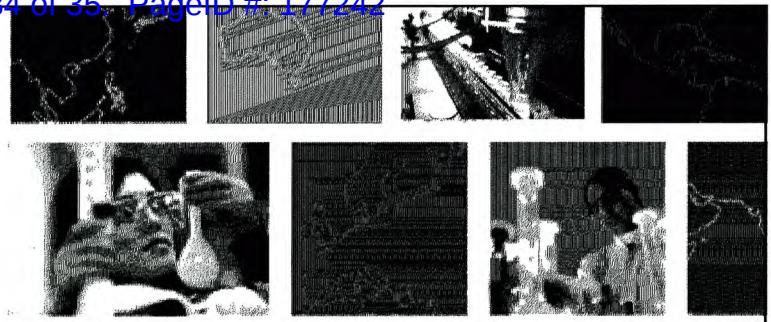
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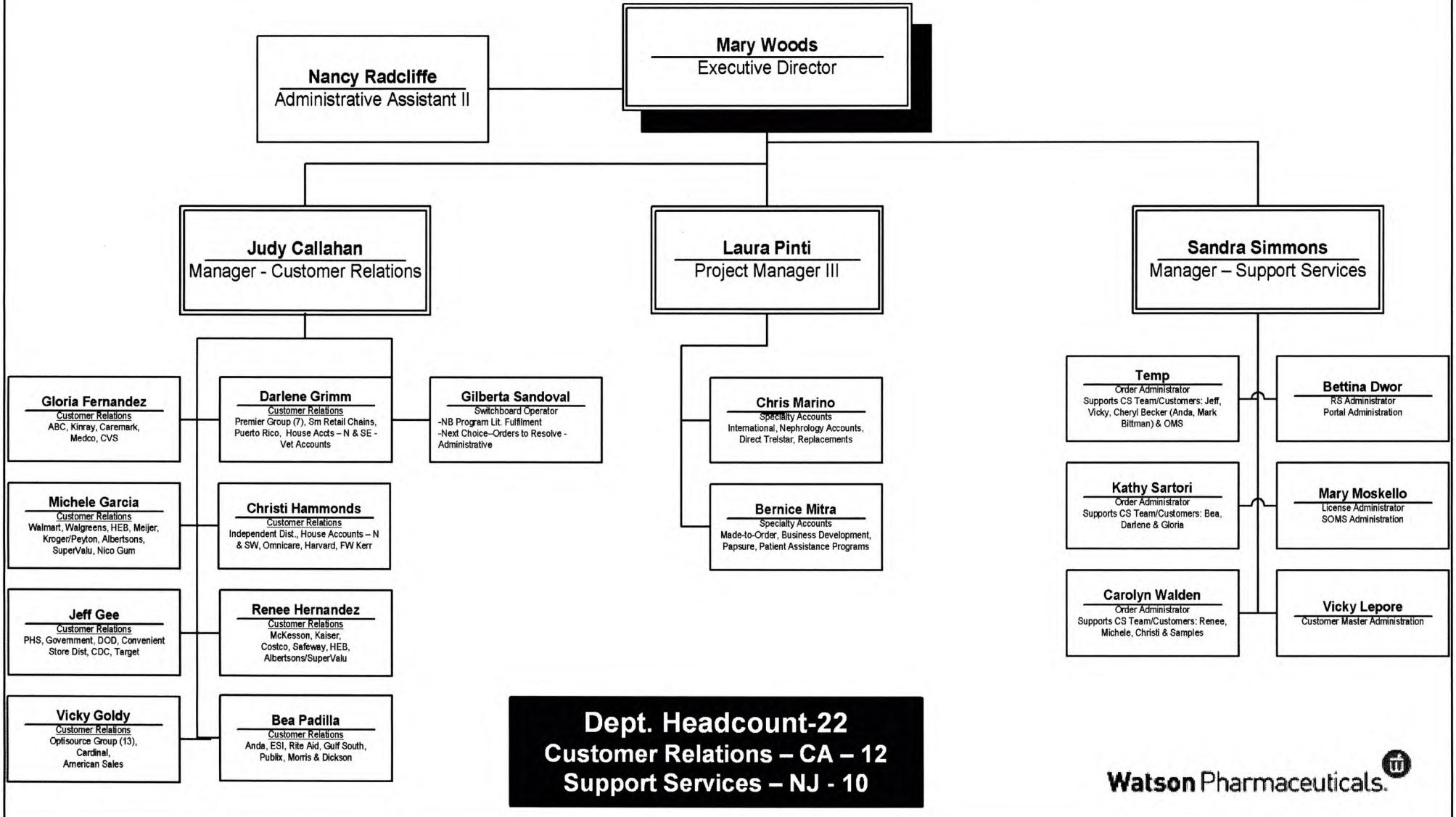
Questions?

Q & A

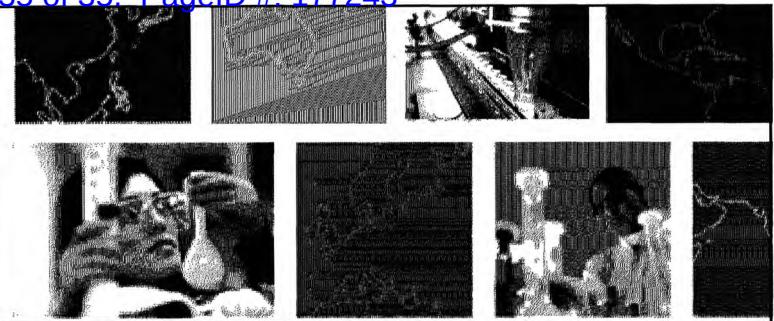
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Customer Relations Operations Organizational Structure



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CRA Alignment

Tony	Vince	David	Maureen	Mark
Giannone	Rinaudo	Schmidt	Barrett	Blitman
Gloria Fernandez/Darlene Grimm	Renee Hernandez/Jeff Gee	Michele Garcia/Christi Hammonds	Bea Padilla/Vicky Goldy	Jeff Gee/Renee Hernandez
Primary Accounts				
AmerisourceBergen	x Albertsons/SuperValu	x Diamond Pharmacy	x ANDA	x Coast Guard
Ahold-Giant	x Amerinet	x Discount Drug Mart	x Afaxys	x DOD
American Health Pkg	x Apexus	x Frank W Kerr	x API	x Indian Health Services
Armada	x Bartell's	x Harvard	x Cardinal	x Minnesota Multi-State
Cedardale	x Broadlane	x ESI COMPANIES:	x Chain Drug Consortium	x Public Health Service
Cigna Mail	x Costco	x Curascript (Econodisc)	x Epic	x R & S
CVS	x HEB	x Rx Outreach	x Health & Diagnostic	x State Targets
Giant Eagle	x Kaiser	x GeriMed	x HPG (HealthTrust)	x VA
H D Smith	x McKesson	x Humana	x Kerr	x
Hannaford Bros	x Morris & Dickson	x Immediate Pharm Servs	x Kinney	x
Innovatix	x Novation	x Independent Pharm Corp	x NC Mutual	x
Medco Health Solutions	x Optum (Prescription Sol)	x Keysource	x OptiSource	x
MHA	x PBA	x Masters Rx	x Premier Inc.	x
Oncology Supply (ABC)	x Safeway	x Meijer	x Prime Therapeutics	x
Premier Group	x SAJ	x Omnicare	x Publix	x
Price Choppers	x Schnucks	x PDM	x Puerto Rico Brand Launch	x
Henry Schein	x Wal-Mart	x Kroger/Peyton/ESI/EconDisc	x Rite Aid	x
Wakefern/Shoprite	x	x Pharmacy Select	x Target	x
Webster Vet Sup	x	x Sears/Kmart	x Thrifty White	x
Weis Markets	x	x Shopko	x Winn Dixie	x
		x Topco	x	
		x Walgreen	x	
Secondary Accounts				
HPG (Hospice)	x Brookshires (Topco)	x Aurora	x Fruth Pharmacy	x
	x Basha's	x Dakota Drug	x APCI	x
	x Pamida	x Dik Drug	x Cochran	x
	x Seacoast Medical	x DMS	x Vita Rx	x
	x United	x IPS	x Gulf South/PSS	x
			x Healthpartners	x
			x Navarro	x
Tony	<u>Not assigned</u>	David	Maureen	
Altro Contract	Osborn	Hy-Vee (Topco)?	Aetna Contract	
Industrial Drug Supply	RoySpec	Lake Erie/Quality Care Prod.	Cesar Castillo	
	WDD (Maureen ?)	Med-Health	Generisys (BioScript)	
All have TG number		K-VAT FOODS (Topco)?	Drogueria Central	
	WDD has Gary (1811) number	All have DS number	InformedRx	
			Premier Value Alliance	
			All have MB number	

Not on Allan's - but we identified they are handled by the DNA's when working with CRA's

Kathleen if there is a price update and to move to a contract price, does Contracts notify MD to attach the account to the contract, and the DNA as well?

Many DOD not assigned to Mark, many do not have contract entity.

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